



Indiana Chamber Annual Tax Seminar

Update on Indiana Property Tax Law

Timothy J. Rushenberg

Commissioner

October 22, 2009



Outline

- Agency and Tax Billing Status Update
- New Legislation
- 2010 U.S. Census



Agency & Tax Bill Status Update



Establishing New Standards

■ Core Values

- Put taxpayers first.
- Respect local control.
- Excellence in all that we do.



Establishing New Standards

■ Core Competencies

1. Know Your Job
2. Work as a Team
3. Serve the Taxpayers
4. Enforce Assessment Standards
5. Make Sure Data Submission Deadlines are Met
6. Ensure Budget Processes are Followed and Levy and Rate Controls Enforced
7. Provide Guidance and Interpret Laws but Respect Local Control



Agency Goals

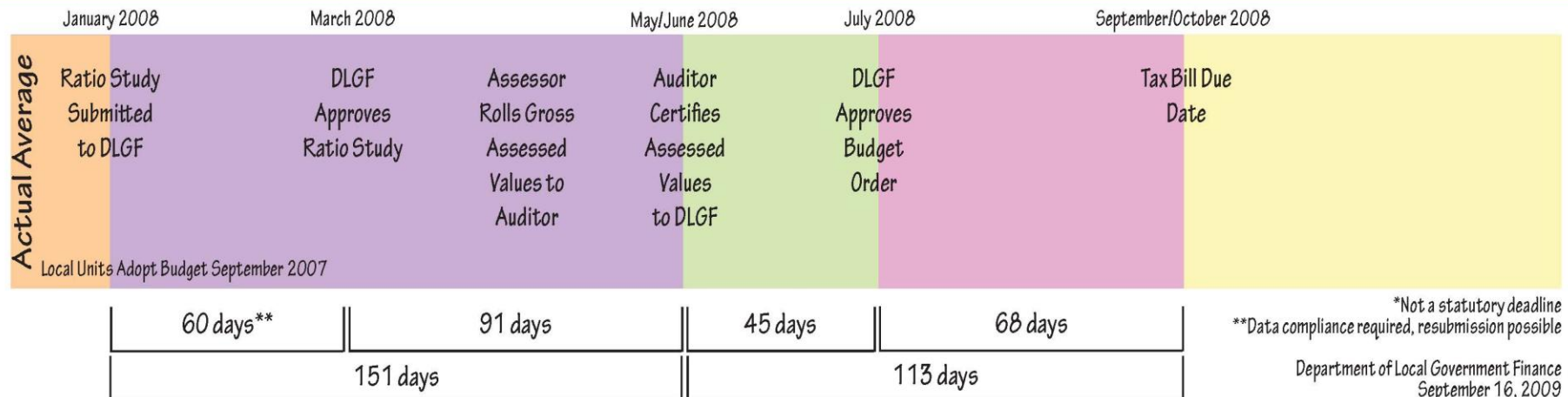
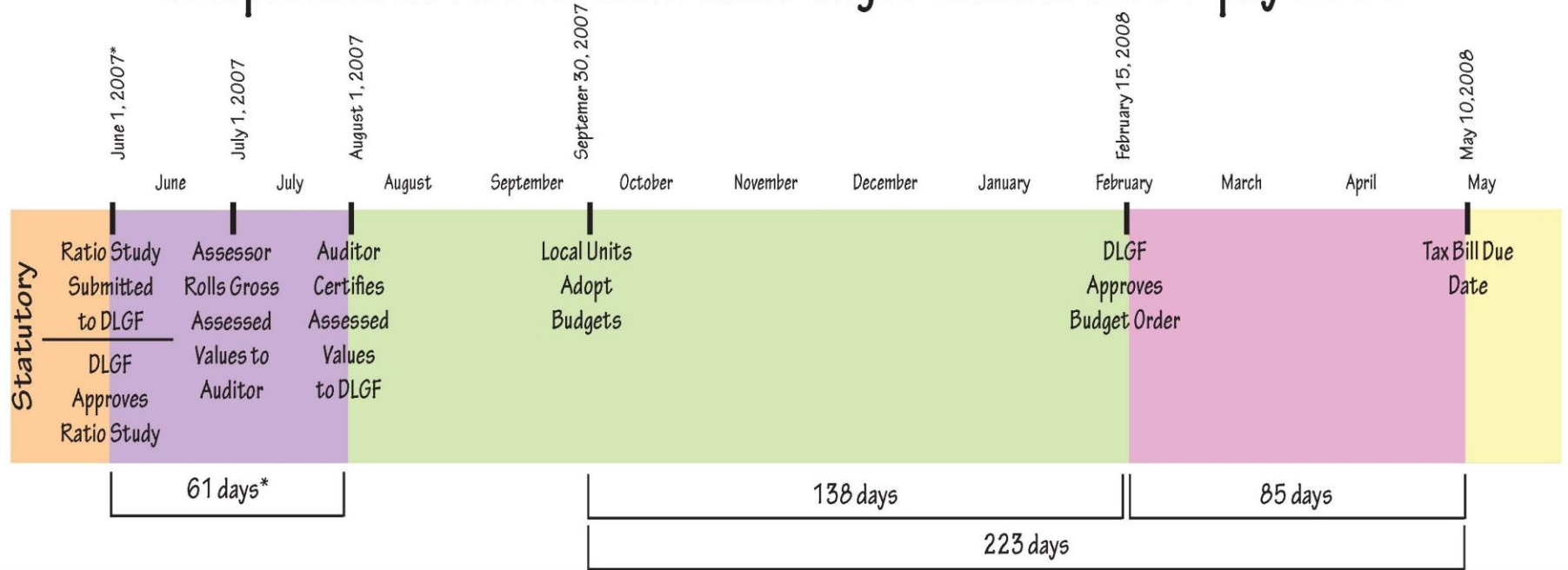
- Increase Professional Development of Staff
 - Require all staff to become Level I, Level II, and Level III certified
 - Cross-train field representatives with both budget and assessment knowledge
 - Increase amount and level of data analysis conducted by the Department



Agency Goals

- **Restore On-Time Property Tax Billing**
 - Proactively assist counties in achieving data compliance
 - Department Policy provides for a 2-3 day response and turnaround for Data compliant counties
 - Reduce turnaround time for review and approval of ratio studies (includes counties w/data compliance issues)
 - 2007 pay 2008 – 60 days
 - 2008 pay 2009 – 55 days
 - 2009 pay 2010 – 18 days
 - Reduce turnaround time for budget certification once certified assessed values are received
 - 2007 pay 2008 – 45 days
 - 2008 pay 2009 – 40 days

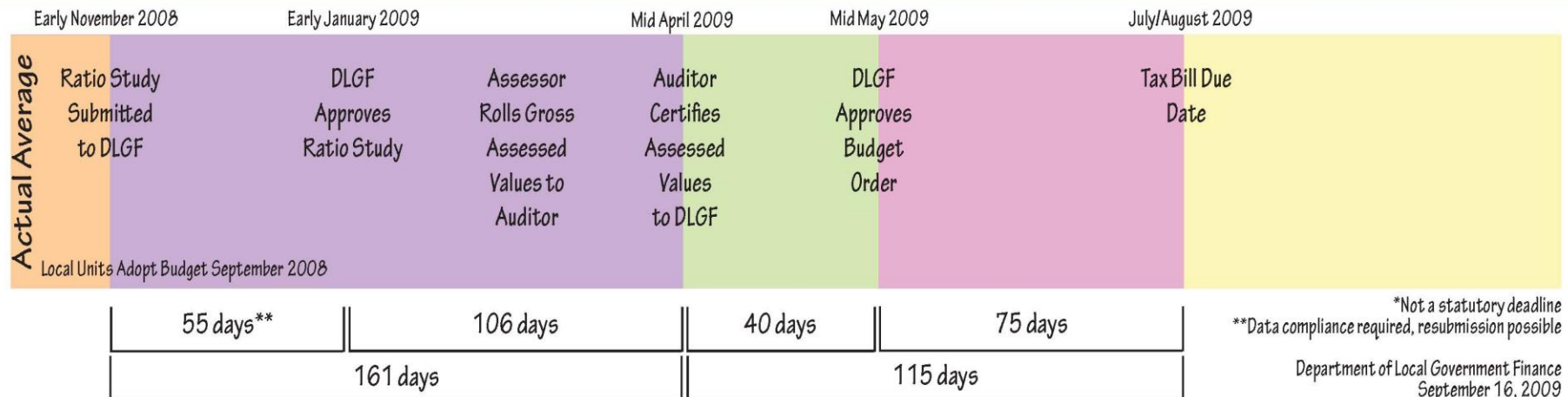
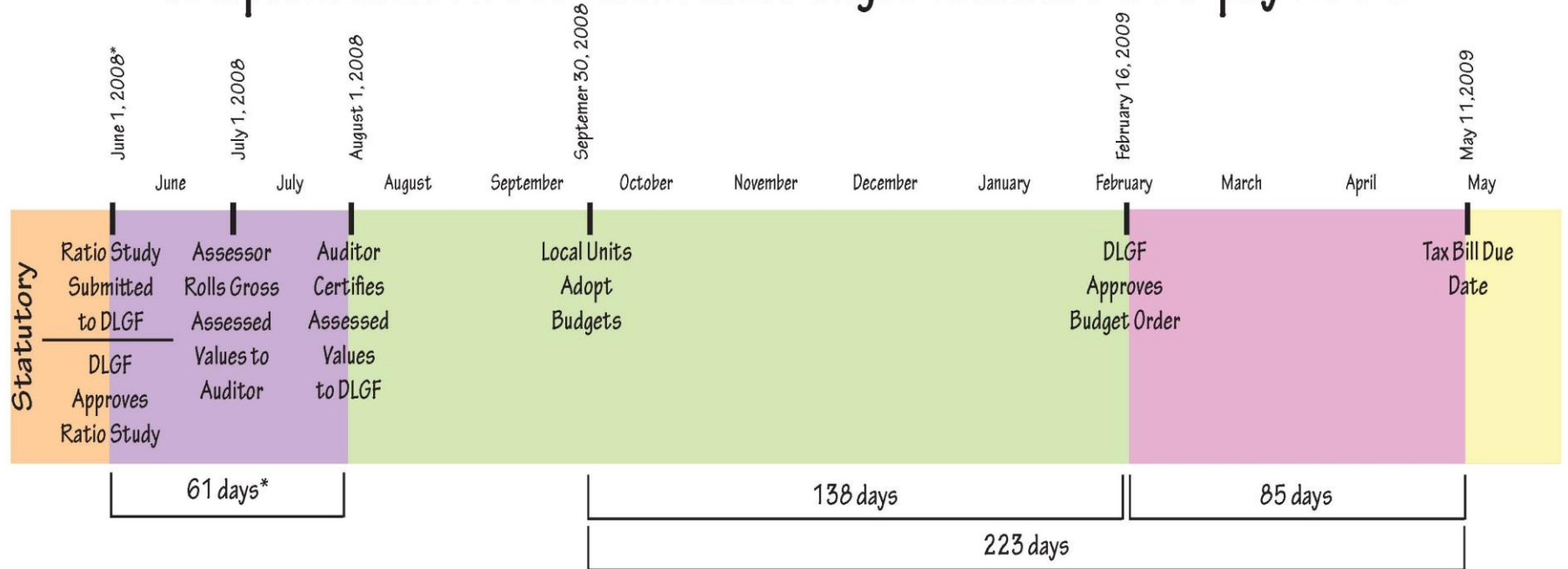
Comprehensive Assessment and Budget Timeline 2007 pay 2008



*Not a statutory deadline
 **Data compliance required, resubmission possible

Department of Local Government Finance
 September 16, 2009

Comprehensive Assessment and Budget Timeline 2008 pay 2009



*Not a statutory deadline
 **Data compliance required, resubmission possible

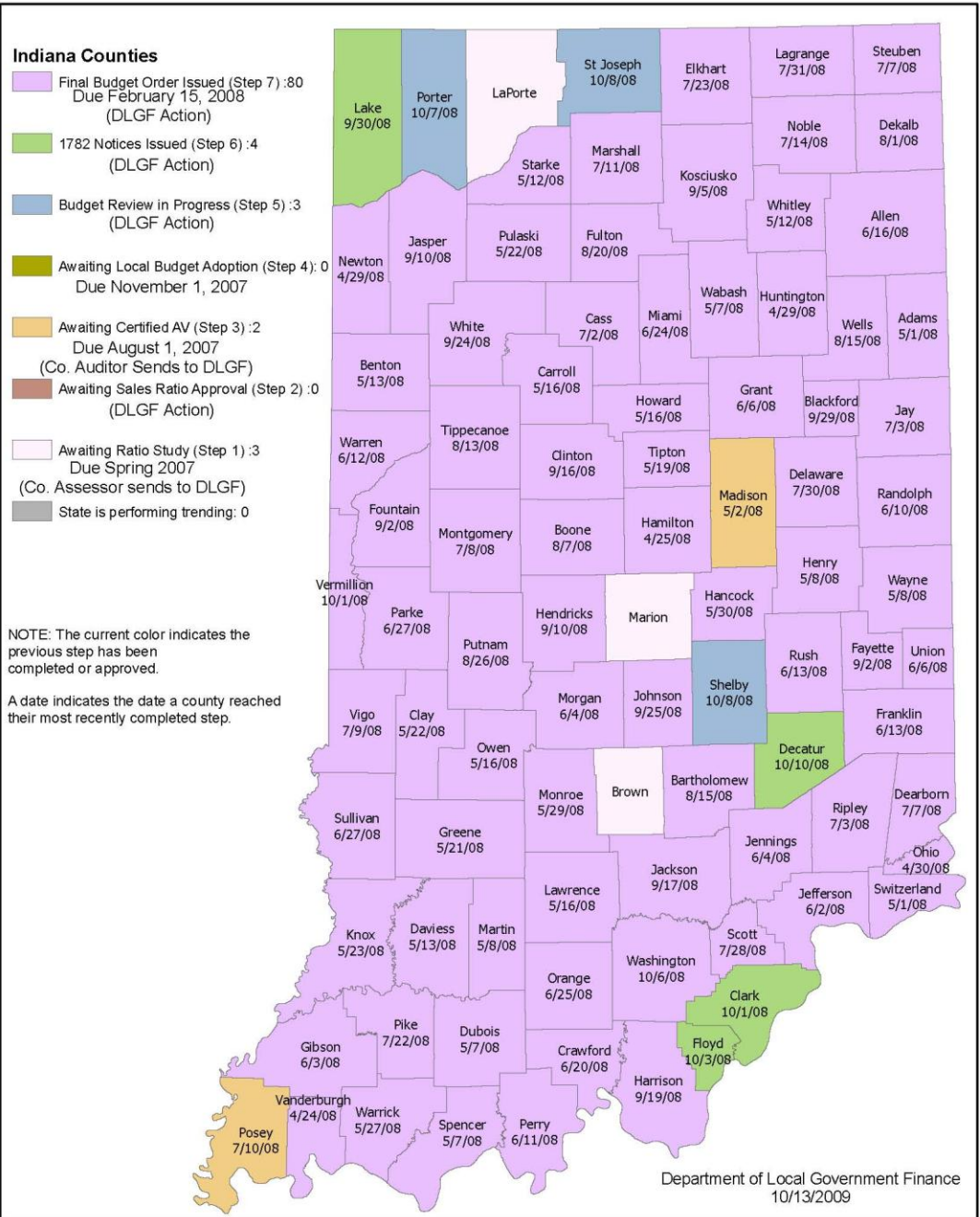
Department of Local Government Finance
 September 16, 2009



2008 Budget Certification status as of October 13, 2008

Status Maps:

<http://www.in.gov/dlgf/6827.htm>





2009 Budget Certification status as of October 13, 2009

Status Maps:

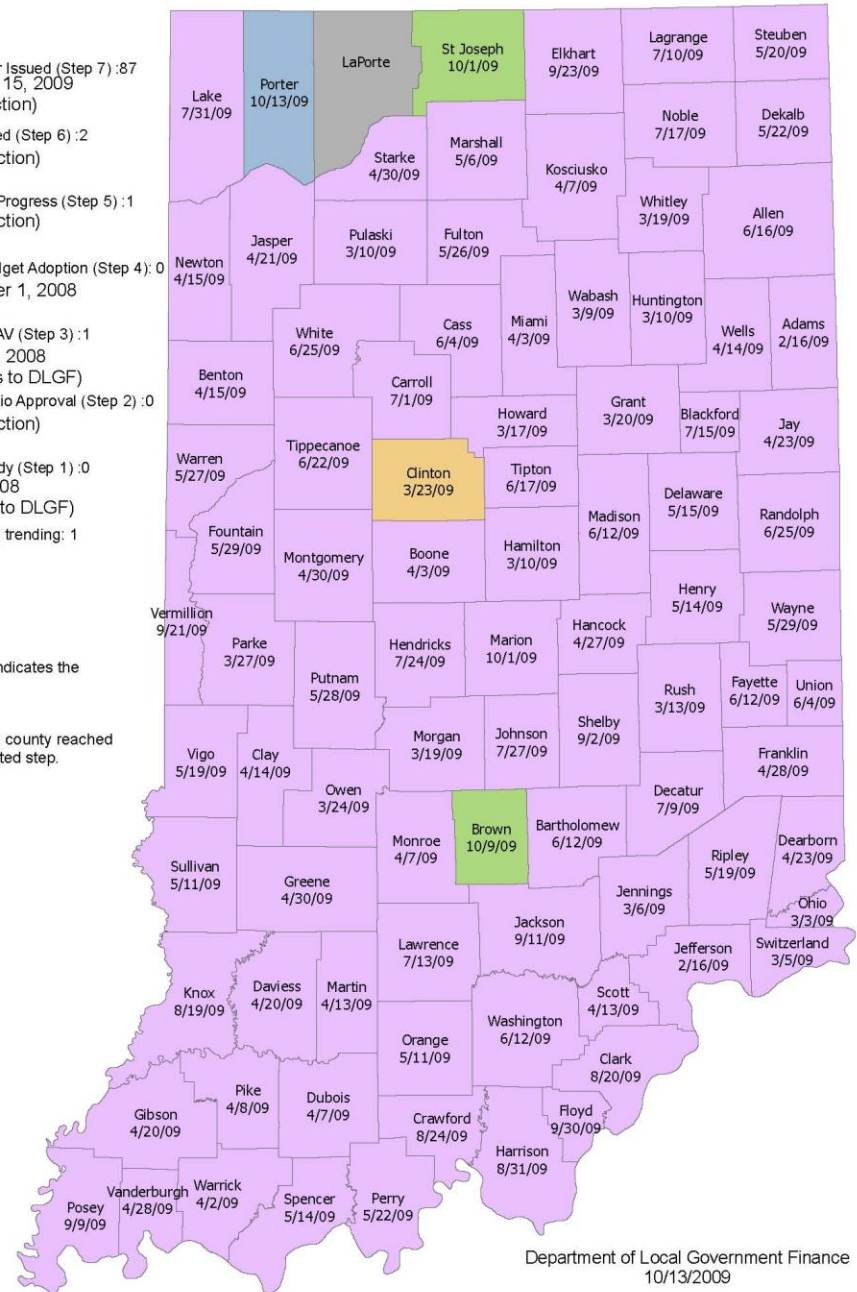
<http://www.in.gov/dlgf/6827.htm>

Indiana Counties

- Final Budget Order Issued (Step 7) :87
Due February 15, 2009
(DLGF Action)
- 1782 Notices Issued (Step 6) :2
(DLGF Action)
- Budget Review in Progress (Step 5) :1
(DLGF Action)
- Awaiting Local Budget Adoption (Step 4) :0
Due November 1, 2008
- Awaiting Certified AV (Step 3) :1
Due August 1, 2008
(Co. Auditor Sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :0
(DLGF Action)
- Awaiting Ratio Study (Step 1) :0
Due Spring 2008
(Co. Assessor sends to DLGF)
- State is performing trending: 1

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.





2010: “The Year of No Excuses”

In response to this challenge, the DLGF Team has accomplished the following:

- Streamlined the data compliance process for assessment-sales ratio study approval purposes;
- Simplified the annual adjustment rule to allow for the use of only one year of sales and repealed the previous guidance that assessments be changed even if assessment level and uniformity statistical measures were within international standards; and
- Established a goal to issue 2010 budget orders within 60 days from receipt of certified net assessed values from the county auditor.



Status Maps:
<http://www.in.gov/dlgf/6827.htm>

Status Maps:
<http://www.in.gov/dlgf/6827.htm>



2009 pay 2010 Budget Certification Status Map



Status Update Conclusion

- Department's core values and competencies guide agency toward achieving on-time billing.
- Significant progress has been made for 2009 and we are off to a good start for 2010.
- 2010 is the "Year of No Excuses"

Let's talk about new legislation...



New Legislation



Reassessment Delay

- Delay start of reassessment to July 1, 2010
 - March 1, 2012 assessment date (and valuation date)
 - Property taxes first due and payable in 2013
- May start reassessment activities now
 - Assessors to verify and confirm property data during reassessment period (July 1, 2010 to March 1, 2012)
 - Property visit;
 - Review of building permits; or
 - Pictometry



Assessment Appeals

- Filing deadline for appeals when no Form 11 sent
 - Notice of appeal must be filed not later than the later of:
 - May 10 of the tax billing year; or
 - 45 days after tax bill
- Burden of Proof
 - Assessor now has the burden of proof where the assessment increased by more than 5% over the preceding assessment date



PTABOA

- Commissioners may decide to have 3 or 5 members
- County assessor is a non-voting member
- 5 member PTABOA
 - Commissioners appoint 3 landowners / residents; county fiscal body appoints 2 individuals
- 3 member PTABOA
 - Commissioners appoint 2 landowners / residents; county fiscal body appoints 1 individual



Mobile Homes as Inventory

- MH is inventory, if MH:
 - Does not qualify as real property;
 - Is located in a MH community;
 - Is unoccupied; and
 - Is owned and held for sale by the owner of the MH community
- MH is inventory regardless of whether MH that is held for sale is new or pre-owned.



Mobile Home: Waiver of Taxes

- Waiver of property taxes for holder of title of certain abandoned MHs
- Holder of title of MH may submit a written request to the county assessor for asking the personal property tax liability be waived, if the MH:
 - has deteriorated to a degree that it can no longer provide suitable protection;
 - has little or no value as a structure;
 - personal property tax liability exceeds the estimated resale value; and
 - has been abandoned in a licensed MH community.



Annual Adjustments by DLGF

- DLGF may conduct annual adjustments if county assessor has not delivered gross AVs to county auditor by July 1 + 180 days have elapsed [December 28].
 - DLGF develops annual adjustment factors with data from county assessor or any of the other sources listed below:
 - sales data,
 - government studies,
 - ratio studies,
 - cost and depreciation tables, and
 - other market analyses



Permanently Flooded Real Property

- Owner of parcel may petition county assessor for reassessment of parcel if:
 - Permanently flooded (or access over land is permanently prevented by flooding); and
 - Not used for agricultural purposes
- Form 137PF, *Petition for Survey and Reassessment Real Property that is Permanently Flooded or Access is Permanently Prevented by Flooding*



Permanently Flooded Real Property

- Flooding occurs before May 11 and after preceding November 10 (between Nov 11, 2008 and May 10, 2009)
 - Form 137PF must be filed by December 31, 2009
 - Reassessment order affects 2009 and 2010 tax bills

- Flooding occurs after May 10 and before following November 11 (between May 11, 2009 and Nov 10, 2009)
 - Form 137PF must be filed by December 31, 2009
 - Reassessment order affects 2009 (Fall installment) and 2010 bills



Valuation Date = Assessment Date

- Real Property valued taking into account its physical condition and the market factors in existence on the assessment date (e.g., March 1, 2009).
- This value is trended to reflect the property's market value-in-use on the valuation date (e.g., January 1, 2008).
- “What would a potential buyer have paid on the valuation date for the property as it physically looked on the assessment date given the market conditions on that assessment date?”



Valuation Date = Assessment Date

- Beginning in 2010 (pay-2011), valuation date and assessment date are same = **March 1**
- For general reassessment, use sales occurring from March 2, 2010 through March 1, 2012.
- For annual adjustments, use sales occurring during a time period that is as short as possible and, ideally no more than 14 months before the March 1 assessment and valuation dates.



Timely Certified Distributions

- County Auditor to timely distribute certified CAGIT, COIT, and CEDIT distributions to each civil taxing unit, school corporation and city/town.
- A distribution is timely if it is made no later than 10 working days after the date the County Treasurer receives the county's certified distribution.



Electronic Property Tax Bills

- Beginning in pay-2009, county legislative body (county commissioners) may adopt ordinance authorizing tax bills to be sent via e-mail to taxpayers who have applied.
- If ordinance adopted, County Treasurer and County Auditor shall publicize, through appropriate media, the availability of the option and the applicable steps and deadlines involved to begin receiving electronic tax bills.



Electronic Property Tax Bills

- Format of the e-bill (TS-1-E) is just like the regular tax bill and comparison statement.
- Taxpayers can apply to receive e-bills in two ways:
 - State Form 53954, *Authorization for Receipt of Electronic Property Tax Statements*.
 - State Form 46021, *Sales Disclosure Form*
- Taxpayer must apply at least 30 days before the anticipated mailing date of tax bills in the county.



Electronic Property Tax Bills

- E-bills must be sent to the taxpayer at least 15 days prior to the first installment due date
 - This is the same amount of minimum notice required for regular, hard copy tax bills.
 - Example: May 10, 2010 Spring tax bill due date means e-bills must be sent on or before Friday, April 23, 2010



Electronic Property Tax Bills

- In a county that elects to e-mail tax bills, County Treasurer is required to maintain a record documenting the following:
 - Name of the person to whom a tax bill is sent by email;
 - The information included in the bill; and
 - Whether the tax bill was received



Electronic Property Tax Bills

- If County Treasurer receives response to e-mail that e-bill was not received by taxpayer, Treasurer must send a hard copy tax bill via U.S. mail.
- Due date for the tax bill, however, remains same.



Electronic Property Tax Bills

- At least 30 days prior to anticipated mailing date of tax bills in county, taxpayer may choose to either change the designated e-mail address where bills are sent, or opt out of receiving e-bills altogether.



Installment Payments

- Statutorily required due dates are May 10 and Nov. 10
- A single tax bill due date will be allowed if requested by the county.
- Installment plans are encouraged but not required.
 - Installment plan for homestead taxpayers under IC 6-1.1-22-9.5
 - Ordinance adopted by county council allowing all taxpayers to pay one or more installments of property taxes by any combination of the following:
 1. Automatically monthly deductions from a financial account
 2. Payments under a monthly installment plan adopted in accordance with IC 6-1.1-22-9.7



New Legislation Conclusion

- Reassessment delayed until July 1, 2010 – start now
- Burden of Proof on Assessors if AV increased more than 5%
- DLGF can develop annual adjustments for “slow” counties
- Permanently flooded properties can be reassessed
- Valuation date and assessment date are the same
- Timely Certified Distributions within 10 working days
- Electronic Tax Bills
- Installment Payments

Let's talk about the 2010 U.S. Census...



2010 Census

UNITED STATES CENSUS

2010 *Indiana*



For more information, visit the Indiana 2010 Census Web page: www.census.indiana.edu.



2010 Census

- The U.S. Constitution requires that a Census be conducted every 10 years to count each person living in the country.
 - The Census is used to apportion congressional seats.
 - Results inform policymakers who construct government programs.
 - Census numbers are the basis of funding for many federal programs, up to \$1,200 per person.
 - Medicaid, WIC food grants, social services
 - Title I educational grants
 - Transportation
 - State funds are often distributed using Census counts.
- **Our objective is to ensure that every Hoosier is counted.**



2010 Census

- Census Day is April 1, 2010
- Short “do” list to promote U.S. Census:
 - Alert your staff to upcoming Census
 - Post the Census message or link on your Web page
 - Mention it at appropriate meetings / presentations
- Census Message added to DLGF Form 11, TS-1, etc...



Contact The Department

- Tim Rushenberg
 - Telephone: 317.232.3775
 - Fax: 317.232.8779
 - E-mail: trushenberg@dlgf.in.gov
- Web site: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm